

ASSIGNMENT OF MINERALS LEASE

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, for and in consideration of the sum of Ten Dollars and other considerations, the adequacy and receipt of which is hereby acknowledged, paid by JAXX, Inc., a Utah Corporation, have sold, assigned, and transferred and by these presents, do sell, assign and transfer unto the said JAXX, Inc., that certain Minerals Lease, dated December 1, 1983, by and between Taylor Livestock Corporation, a Utah Corporation, and Nellie McPherson, as LESSOR, and PMC, Inc., a Utah Corporation, located at 954 East 7145 South, Suite 101, Midvale, Utah 84047, as LESSEES, covering the following described premises in Grand County, Utah:

Lots 4, 5 & 6 of Section 7, Township 23 South, Range 24 East, Salt Lake Base & Meridian, Grand County, Utah, Less:

any portion thereof lying within the bounds of the property described as beginning at a point located 675 feet West of the Southeast corner of said Section 7, and running thence North 840.7 feet to the Northeast corner of the tract; thence South 49 degrees 40' West 1302 feet to the Southwest corner of the tract, said corner is located in the bed of the Colorado River; thence due East up the Colorado River, 992 feet to the point of beginning,

A total of 110 acres, more or less.

DATED this 5th day of DECEMBER, 1983

P.M.C., Inc.

By

Wilford W. Reef
Property Manager

ACCEPTANCE OF ASSIGNMENT

JAXX, Inc., hereby accepts the Assignment from P.M.C., Inc., of the Minerals Lease above described, subject to all the terms and conditions thereof, and agrees that as such assignee it will perform and comply with all the terms and conditions to be done and performed by the LESSEE in said lease dated December 1, 1983.

DATED: December 6th 1983

JAXX, Inc.

By

George R. Jones

County of Salt Lake)
: ss.
State of Utah)

This 6th day of DECEMBER, 1983, appeared before me

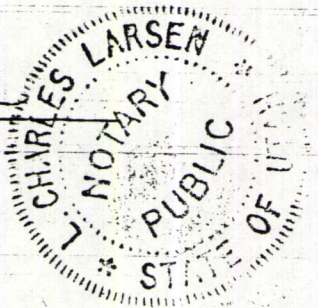
WILFORD W. RUF

and after having been duly sworn said that he is authorized agent for
P.M.C., Inc., a Utah Corporation, and willingly executed the foregoing
instrument for said Corporation.

My commission expires

MY COMMISSION EXPIRES MAY 10, 1987

L. Charles Larsen
Notary Public



County of Salt Lake)
: ss.
State of Utah)

This 6th day of DECEMBER, 1983, appeared before me

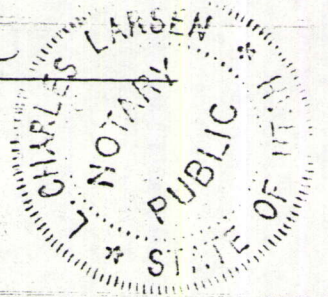
GEORGE R. JENSEN

and after having been duly sworn said that he is authorized agent for
JAXX, Inc., a Utah Corporation, and willingly executed the foregoing
instrument for said Corporation.

My commission expires

MY COMMISSION EXPIRES MAY 10, 1987

L. Charles Larsen
Notary Public



Jilly Mae Moorlander

Recorder Grand Co., Utah

mm

MINERALS LEASE AGREEMENT

This Lease and Agreement, hereinafter referred to as LEASE, entered into and executed as of the 6th day of DECEMBER, 1983, by and between JAXY, Inc., a Utah corporation, hereinafter referred to as LESSOR, and Crater Exploration, Inc., a Nevada corporation, hereinafter referred to as LESSEE.

WITNESSETH: That the LESSOR, for and in consideration of the royalties required to be paid by LESSEE, and the terms and conditions to be performed by LESSEE, as hereinafter set forth, does hereby grant and lease to LESSEE the exclusive right and privilege to explore for, drill for, mine, remove and dispose of the gold, silver, platinum and any and all other valuable minerals, (hereinafter called the "LEASED SUBSTANCES"), within the boundaries of the following described land in Grand County, Utah:

(Refer to Exhibit "A", attached)

This LEASE is granted for and in consideration of and subject to all the terms, provisions and conditions hereinafter set forth.

ARTICLE ONE

SUBJECT TO PRIOR MINERALS LEASE AGREEMENT

NON-LEGIBLE
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This LEASE is subject to the terms and conditions of that certain minerals Lease Agreement, dated December 1, 1983, between Taylor Livestock Corp. and Nellie McPherson (LESSOR) and PNC, Inc. (LESSEE).

ARTICLE TWO

PRIMARY TERM AND POSSIBLE EXTENTION OF TERM OF LEASE

LESSOR hereby leases to LESSEE the said premises for a term beginning December 1, 1983, for a primary term ending November 30, 1988, and thereafter for a full period of twenty (20) years, on condition that lease and royalty payments total at least \$30,000.00 in any one year or at least \$100,000.00 during the original (5 year) term.

ARTICLE THREE

PURPOSE OF LEASE

This LEASE is for the sole purpose of exploring for, mining, taking out, and removing therefrom by any lawful mining method, the LEASED SUBSTANCES.

The LEASE is further subject to all laws, ordinances, rules, regulations, permits and other requirements of all governmental entities and agencies applicable to the demised premises and the mining operations thereon, and LESSEE agrees to comply with the same. It will be the duty of LESSOR to make the payments of any and all royalties provided for in the Lease Agreement referenced in Article One, above..

ARTICLE FOUR

ACCESS

LESSEE shall have the right of ingress and egress to said demised premises, across any adjoining land owned or controlled by LESSOR, and do such other things on the premises as may be necessary or proper to carrying on the mining operations.

ARTICLE FIVE

EQUIPMENT

NON-LEGIBLE
For Microfilm

All machinery, structures and improvements shall remain the property of LESSEE, and on termination of this LEASE and on payment to LESSOR of any amounts due it hereunder, LESSEE may remove such structures, equipment and improvements within thirty (30) days after termination.

ARTICLE SIX

MANNER OF MINING

All mines and mining operations shall be opened and worked by LESSEE in such manner as is usual and customary in skillful and proper mining oper-

ations of similar character, and they shall be operated so as not to cause or permit any unnecessary or unusual permanent injury to the premises. At the termination of this agreement, the said premises shall be left in good order and good workman-like conditions.

ARTICLE SEVEN

ROYALTY

There is reserved to LESSOR, and LESSEE shall pay to LESSOR as rental for the leased premise, a seventeen and one-half percent (17.5%) royalty on all refined LEASED SUBSTANCES including those obtained from tailings or other ore residues. There shall be no deduction for any costs associated with the mining and milling of LEASED SUBSTANCES in computing royalty. At LESSOR'S option, the royalty shall be paid in kind, except for the platinum group of metals.

Payments of royalty shall be made by LESSEE to LESSOR as herein required, on or before the 20th day of the month next succeeding the month during which the LEASED SUBSTANCES shall have been shipped, sold or used. In connection with the payment of royalty, the LESSEE shall submit a certified statement of the production of all LEASED SUBSTANCES mined or extracted from the demised premises, together with such information as is reasonably required to verify production and disposition of LEASED SUBSTANCES produced and disposed of from the leased premises. LESSOR may inspect, review, and test the correctness of the LESSEE'S report at any time and in such reasonable manner as it may see fit. Any errors in such reports and royalty payments shall be corrected accordingly. LESSOR shall at all times have a lien on all minerals mined, and all improvements made on the demised premises as security for any unpaid balance of royalty.

LESSOR can have an agent or agents present on the demised premises, or off demised premises where ores produced from said premises may be pro-

cessed, at all times, to observe mining, milling, and smelting operations and can have referee present at any time to observe the split of the LEASED SUBSTANCES between the parties when royalty is paid in kind.

ARTICLE EIGHT

MINERAL TITLE OF LESSOR

LESSOR claims title to the minerals estate covered by this LEASE. LESSOR does not warrant title nor represent that no one will dispute the title asserted by LESSOR. It is expressly agreed that LESSOR shall not be liable to LESSEE for any alleged deficiency in title to the mineral estate, nor shall LESSEE nor any assigns of this LESSEE become entitled to any refund for any rentals, bonuses or royalties paid under this LEASE.

ARTICLE NINE

PLANT ON SITE

LESSEE shall have the right to remove concentrates from said premises to an off-site premise for further refining, however, LESSOR shall have the right to have agents present at all times at such off-site operation. LESSOR may have at least one agent present for all stages of production involving the weighing, handling, and dispatching of LEASED SUBSTANCES.

ARTICLE TEN

INSURANCE

LESSEE shall at all times comply in all respects with all regulations relating to the performance of work within the leased premises. The LESSEE shall provide Workmen's Compensation insurance and such other insurances to cover personnel and all of its operations upon the premises in the amount and form as may be required by law. LESSEE shall indemnify and hold the LESSOR harmless of and from any and all claims, demands or liabilities arising out of or in connection with the operations or activities of the LESSEE hereunder. LESSEE assumes the sole responsibility for the

NON-LEGIBLE
For Microfilm

operation and direction of the work done under this LEASE on the leased premises and no employee or agent furnished by LESSEE shall, under any circumstances, be deemed an employee of the LESSOR.

ARTICLE ELEVEN

BOOKS OF ACCOUNT

LESSEE agrees to keep accurate books of account showing the operations, and particularly showing LEASED SUBSTANCES mined and milled and the quantity of LEASED SUBSTANCES extracted from said premises. The LESSEE shall permit an agent or agents of the LESSOR at all reasonable times and places to examine and copy such books of account.

ARTICLE TWELVE

ACCESS TO PREMISES

The LESSEE shall allow the LESSOR or any representative of the LESSOR to enter upon and into all parts of the leased premises, or any off-site premises where ores from the leased premises may be stored and/or processed, for the purpose of inspecting or surveying the same and for the purposes of observing and inspecting all mining and processing operations and the extraction and weighing of all LEASED SUBSTANCES.

ARTICLE THIRTEEN

DUE DILIGENCE AND SECURITY

The LESSEE shall be charged with maintaining due diligence and security in the preservation of the LEASED SUBSTANCES and all on-site or off-site extractions of LEASED SUBSTANCES. To that end the LESSEE shall furnish adequate security and, in particular, at such time as the LEASED SUBSTANCES are milled and extracted, the LESSEE shall provide honest and responsible worker(s) to observe and/or be a part of the work force in the milling, extraction, weighing and handling of the LEASED SUBSTANCES. LESSOR may have an agent or agents present at all times and stages in the mining, milling, extraction, weighing and handling of LEASED SUBSTANCES.

ARTICLE FOURTEEN

TAXES AND DEPLETION ALLOWANCES

The LESSEE agrees to pay all personal property taxes levied and assessed against improvements placed on said premises by LESSEE, and on the machinery, equipment and personal property used on the herein described leased premises.

All mine occupation taxes, production taxes, severance taxes and real property taxes (to that extent increased by reason of an increased valuation attached to the leased premises by reason of the production of LEASED SUBSTANCES therefrom) shall be borne and paid by LESSEE.

LESSOR shall be entitled to seventeen and one-half percent (17.5%) and the LESSEE shall be entitled to eighty-two and one-half percent (82.5%) of any depletion allowance for taxing purposes.

ARTICLE FIFTEEN

NOTICES

Notices hereunder shall be deemed sufficiently given if:

1. Deposited in the United State Mail, postage prepaid, registered, return receipt requested, and addressed as hereinafter specified;
or

2. If written notice is personally served upon the resident agent or a major officer of a party hereto in the same manner as a summons may be served upon a party in a civil action.

ARTICLE SIXTEEN

PEACEFUL SURRENDER

LESSEE agrees that when this LEASE terminates, regardless of the cause, LESSEE shall quietly and peacefully surrender possession of the leased premises to LESSOR, and LESSOR may enter, or cause to be entered a certificate of the termination of this LEASE in the Recorder's Office of Grand County, Utah. LESSEE agrees to execute or cause to be executed

such releases or assignments, and record the same, as may be necessary to clear the record title and divest LESSEE of all rights and title given or acquired under this LEASE.

This LEASE is granted under the express condition that, if the royalty reserved hereunder, or any part thereof, shall be and remain unpaid after the time when, by the foregoing covenants, they should be paid, it shall be lawful for the LESSOR, at it's option, to re-enter the leased premises without any requirement of prior notice, and to have and possess the premises again, and wholly to exclude from the premises both LESSEE and all persons claiming under LESSEE, and upon such repossession by LESSOR, this LEASE shall terminate and end, and each party shall thereupon be released from any further rights, duties or obligations under this LEASE, except LESSEE's duty to pay any accrued royalty, and the LESSEE'S right to remove equipment and improvement as aforesaid.

ARTICLE SEVENTEEN

TIME OF ESSENCE

Time is of the essence of this Agreement.

ARTICLE EIGHTEEN

DEFAULTS AND NOTICE

a. That if a party should default in the performance of any of the terms or conditions, except for the timely payment of royalty, he is to perform hereunder, that the non-defaulting party, at his option, may give written notice sent by certified or registered mail, to the defaulting party specifying such default, and if such default not be corrected within thirty (30) day after mailing such notice as evidenced by a receipt of the U.S. Post Office showing the sending of such notice, the non-defaulting party may thereupon declare this agreement null and void,

and all right and interest in said premises existing in favor of the defaulting party shall thereupon cease and terminate.

b. Any notice herein provided to be given to LESSOR shall be sufficient if given in writing and mailed by certified or registered mail to the following:

JAXX, Inc.
954 East 7145 South, Suite 101
Midvale, UT 84047

or to such other address as LESSOR may from time to time designate in writing.

c. Any notice herein provided to be given to LESSEE shall be sufficient if given in writing and mailed by certified or registered mail to the following:

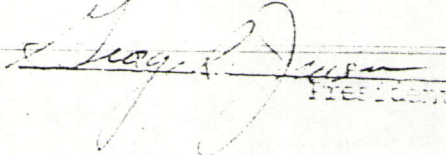
Crater Exploration, Inc.
954 East 7145 South, Suite 202
Midvale, UT 84047

or to such other address as LESSEE may from time to time designate in writing.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals the day and year first above written.

JAXX, INC.

By


President

CRATER EXPLORATION, INC.

By

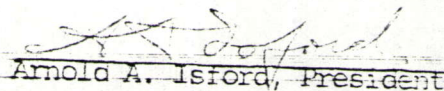

Arnold A. Isford, President

EXHIBIT "A"

Lot 5 of Section 7, Townshin 23 South, Range 24 East, Salt Lake Base & Meridian, Grand County, Utah, Less:

any portion thereof lying within the bounds of the property described as beginning at a point located 675 feet West of the Southeast corner of said Section 7, and running thence North 840.7 feet to the Northeast corner of the tract; thence South 49 degrees 40 feet West. 1302 feet to the Southwest corner of the tract, said corner is located in the bed of the Colorado River; thence due East up the Colorado River, 992 feet to the point of beginning; containing 33 acres, more or less.

County of Salt Lake)
: ss.
State of Utah)

This 6TH day of DECEMBER, 1983, appeared before me

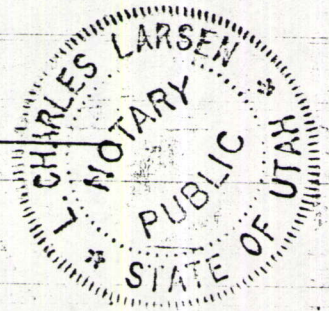
GEORGE R. JENSEN

and after having been duly sworn said that he is authorized agent for
JAXX, Inc., a Utah Corporation, and willingly executed the foregoing
instrument for said Corporation.

My commission expires
MY COMMISSION EXPIRES MAY 10, 1987

L. Charles Larsen

Notary Public



County of Salt Lake)
: ss.
State of Utah)

This 6TH day of DECEMBER, 1983, appeared before me

ARNOLD A. ISFORD

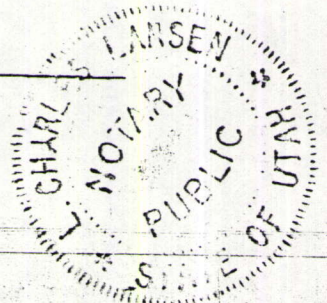
and after having been duly sworn said that he is authorized agent for
Crater Exploration, Inc., a Nevada Corporation, and willingly executed the
foregoing instrument for said Corporation.

My commission expires

MY COMMISSION EXPIRES MAY 10, 1987

L. Charles Larsen

Notary Public



MINERALS LEASE AGREEMENT

This Lease and Agreement, hereinafter referred to as LEASE, entered into and executed as of the 6th day of DECEMBER, 1983, by and between Crater Exploration, Inc., a Nevada corporation, hereinafter referred to as LESSOR, and Nancy Placer Mine Ltd., a Texas limited partnership, hereinafter referred to as LESSEE.

WITNESSETH: That the LESSOR, for and in consideration of the royalties required to be paid by LESSEE, and the terms and conditions to be performed by LESSEE, as hereinafter set forth, does hereby grant and lease to LESSEE the exclusive right and privilege to explore for, drill for, mine, remove and dispose of the gold, silver, platinum and any and all other valuable minerals, (hereinafter called the "LEASED SUBSTANCES"), within the boundaries of the following described land in Grand County, Utah:

(Refer to Exhibit "A"; attached)

This LEASE is granted for and in consideration of and subject to all the terms, provisions and conditions hereinafter set forth.

ARTICLE ONE

SUBJECT TO PRIOR MINERALS LEASE AGREEMENT

This LEASE is subject to the terms and conditions of that certain minerals Lease Agreement, dated December 1, 1983, between Taylor Livestock Corp. and Nellie McPherson (LESSOR) and P.M.C., Inc. (LESSEE)

ARTICLE TWO

PRIMARY TERM AND POSSIBLE EXTENTION OF TERM OF LEASE

LESSOR hereby leases to LESSEE the said premises for a term beginning December 1, 1983, for a primary term ending November 30, 1988, and thereafter for a full period of twenty (20) years, on condition that lease and royalty payments total at least \$30,000 in any one year or at least \$100,000 during the original (5 year) term.

ARTICLE THREE

PURPOSE OF LEASE

This LEASE is for the sole purpose of exploring for, mining, taking out, and removing therefrom by any lawful mining method, the LEASED SUBSTANCES.

The LEASE is further subject to all laws, ordinances, rules, regulations, permits and other requirements of all governmental entities and agencies applicable to the demised premises and the mining operations thereon, and LESSEE agrees to comply with the same. It will be the duty of LESSOR to make the payments of any and all royalties payable to prior Grantors.

ARTICLE FOUR

ACCESS

LESSEE shall have the right of ingress and egress to said demised premises, across any adjoining land owned or controlled by LESSOR, and do such other things on the premises as may be necessary or proper to carrying on the mining operations.

ARTICLE FIVE

EQUIPMENT

All machinery, structures and improvements shall remain the property of LESSEE, and on termination of this LEASE and on payment to LESSOR of any amounts due it hereunder, LESSEE may remove such structures, equipment and improvements within thirty (30) days after termination.

ARTICLE SIX

MANNER OF MINING

All mines and mining operations shall be opened and worked by LESSEE in such manner as is usual and customary in skillful and proper mining oper-

ations of similar character, and they shall be operated so as not to cause or permit any unnecessary or unusual permanent injury to the premises. At the termination of this agreement, the said premises shall be left in good order and good workman-like conditions.

ARTICLE SEVEN

ROYALTY

There is reserved to LESSOR, and LESSEE shall pay to LESSOR as rental for the leased premise, a twenty-five percent (25%) royalty on all refined LEASED SUBSTANCES including those obtained from tailings or other ore residues. There shall be no deduction for any costs associated with the mining and milling of LEASED SUBSTANCES in computing royalty. At LESSOR'S option, the royalty shall be paid in kind, except for the platinum group of metals.

Payments of royalty shall be made by LESSEE to LESSOR as herein required, on or before the 20th day of the month next succeeding the month during which the LEASED SUBSTANCES shall have been shipped, sold or used. In connection with the payment of royalty, the LESSEE shall submit a certified statement of the production of all LEASED SUBSTANCES mined or extracted from the demised premises, together with such information as is reasonably required to verify production and disposition of LEASED SUBSTANCES produced and disposed of from the leased premises. LESSOR may inspect, review, and test the correctness of the LESSEE'S report at any time and in such reasonable manner as it may see fit. Any errors in such reports and royalty payments shall be corrected accordingly. LESSOR shall at all times have a lien on all minerals mined, and all improvements made on the demised premises as security for any unpaid balance of royalty.

LESSOR can have an agent or agents present on the demised premises, or off demised premises where ores produced from said premises may be pro-

cessed, at all times, to observe mining, milling, and smelting operations and can have referee present at any time to observe the split of the LEASED SUBSTANCES between the parties when royalty is paid in kind.

ARTICLE EIGHT

MINERAL TITLE OF LESSOR

LESSOR claims title to the minerals estate covered by this LEASE.

LESSOR does not warrant title nor represent that no one will dispute the title asserted by LESSOR. It is expressly agreed that LESSOR shall not be liable to LESSEE for any alleged deficiency in title to the mineral estate, nor shall LESSEE nor any assigns of this LESSEE become entitled to any refund for any rentals, bonuses or royalties paid under this LEASE.

ARTICLE NINE

PLANT ON SITE

LESSEE shall have the right to remove concentrates from said premises to an off-site premise for further refining, however, LESSOR shall have the right to have agents present at all times at such off-site operation. LESSOR may have at least one agent present for all stages of production involving the weighing, handling, and dispatching of LEASED SUBSTANCES.

ARTICLE TEN

INSURANCE

LESSEE shall at all times comply in all respects with all the laws and regulations relating to the performance of work within the leased premises. The LESSEE shall provide Workmen's Compensation insurance and such other insurances to cover personnel and all of its operations upon the premises in the amount and form as may be required by law. LESSEE shall indemnify and hold the LESSOR harmless of and from any and all claims, demands or liabilities arising out of or in connection with the operations or activities of the LESSEE hereunder. LESSEE assumes the sole responsibility for the

operation and direction of the work done under this LEASE on the leased premises and no employee or agent furnished by LESSEE shall, under any circumstances, be deemed an employee of the LESSOR.

ARTICLE ELEVEN

BOOKS OF ACCOUNT

LESSEE agrees to keep accurate books of account showing the operations, and particularly showing LEASED SUBSTANCES mined and milled and the quantity of LEASED SUBSTANCES extracted from said premises. The LESSEE shall permit an agent or agents of the LESSOR at all reasonable times and places to examine and copy such books of account.

ARTICLE TWELVE

ACCESS TO PREMISES

The LESSEE shall allow the LESSOR or any representative of the LESSOR to enter upon and into all parts of the leased premises, or any off-site premises where ores from the leased premises may be stored and/or processed, for the purpose of inspecting or surveying the same and for the purposes of observing and inspecting all mining and processing operations and the extraction and weighing of all LEASED SUBSTANCES.

ARTICLE THIRTEEN

DUE DILIGENCE AND SECURITY

The LESSEE shall be charged with maintaining due diligence and security in the preservation of the LEASED SUBSTANCES and all on-site or off-site extractions of LEASED SUBSTANCES. To that end the LESSEE shall furnish adequate security and, in particular, at such time as the LEASED SUBSTANCES are milled and extracted, the LESSEE shall provide honest and responsible worker(s) to observe and/or be a part of the work force in the milling, extraction, weighing and handling of the LEASED SUBSTANCES. LESSOR may have an agent or agents present at all times and stages in the mining, milling, extraction, weighing and handling of LEASED SUBSTANCES.

ARTICLE FOURTEEN

TAXES AND DEPLETION ALLOWANCES

The LESSEE agrees to pay all personal property taxes levied and assessed against improvements placed on said premises by LESSEE, and on the machinery, equipment and personal property used on the herein described leased premises.

All mine occupation taxes, production taxes, severance taxes and real property taxes (to that extent increased by reason of an increased valuation attached to the leased premises by reason of the production of LEASED SUBSTANCES therefrom) shall be borne and paid by LESSEE.

LESSOR shall be entitled to twenty-five percent (25%) and the LESSEE shall be entitled to seventy-five percent (75%) of any depletion allowance for taxing purposes.

ARTICLE FIFTEEN

NOTICES

Notices hereunder shall be deemed sufficiently given if:

1. Deposited in the United State Mail, postage prepaid, registered, return receipt requested, and addressed as hereinafter specified; or

2. If written notice is personally served upon the resident agent or a major officer of a party hereto in the same manner as a summons may be served upon a party in a civil action.

ARTICLE SIXTEEN

PEACEFUL SURRENDER

LESSEE agrees that when this LEASE terminates, regardless of the cause, LESSEE shall quietly and peacefully surrender possession of the leased premises to LESSOR, and LESSOR may enter, or cause to be entered a certificate of the termination of this LEASE in the Recorder's Office of Grand County, Utah. LESSEE agrees to execute or cause to be executed

such releases or assignments, and record the same, as may be necessary to clear the record title and divest LESSEE of all rights and title given or acquired under this LEASE.

This LEASE is granted under the express condition that, if the royalty reserved hereunder, or any part thereof, shall be and remain unpaid after the time when, by the foregoing covenants, they should be paid, it shall be lawful for the LESSOR, at it's option, to re-enter the leased premises without any requirement of prior notice, and to have and possess the premises again, and wholly to exclude from the premises both LESSEE and all persons claiming under LESSEE, and upon such repossession by LESSOR, this LEASE shall terminate and end, and each party shall thereupon be released from any further rights, duties or obligations under this LEASE, except LESSEE's duty to pay any accrued royalty, and the LESSEE'S right to remove equipment and improvement as aforesaid.

ARTICLE SEVENTEEN

TIME OF ESSENCE

Time is of the essence of this Agreement.

ARTICLE EIGHTEEN

DEFAULTS AND NOTICE

a. That if a party should default in the performance of any of the terms or conditions, except for the timely payment of royalty, he is to perform hereunder, that the non-defaulting party, at his option, may give written notice sent by certified or registered mail, to the defaulting party specifying such default, and if such default not be corrected within thirty (30) day after mailing such notice as evidenced by a receipt of the U.S. Post Office showing the sending of such notice, the non-defaulting party may thereupon declare this agreement null and void,

and all right and interest in said premises existing in favor of the defaulting party shall thereupon cease and terminate.

b. Any notice herein provided to be given to LESSOR shall be sufficient if given in writing and mailed by certified or registered mail to the following:

Crater Exploration, Inc.
954 East 7145 South, Suite 202
Midvale, UT 84047

or to such other address as LESSOR may from time to time designate in writing.

c. Any notice herein provided to be given to LESSEE shall be sufficient if given in writing and mailed by certified or registered mail to the following:

Nancy Placer Mine Ltd.
954 East 7145 South, Suite 202
Midvale, UT 84047

or to such other address as LESSEE may from time to time designate in writing.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals the day and year first above written.

CRATER EXPLORATION, INC.

By


Arnold A. Isford, President

NANCY PLACER MINE LTD. A LIMITED
PARTNERSHIP

By



Crater Exploration, Inc.,
General Partner
Arnold A. Isford, President

EXHIBIT "A"

Lot 5 of Section 7, Township 23 South, Range 24 East, Salt Lake Base & Meridian, Grand County, Utah, Less:

any portion thereof lying within the bounds of the property described as beginning at a point located 675 feet West of the Southeast corner of said Section 7, and running thence North 840.7 feet to the Northeast corner of the tract; thence South 49 degrees 40 feet West. 1302 feet to the Southwest corner of the tract, said corner is located in the bed of the Colorado River; thence due East up the Colorado River, 992 feet to the point of beginning; containing 33 acres, more or less.

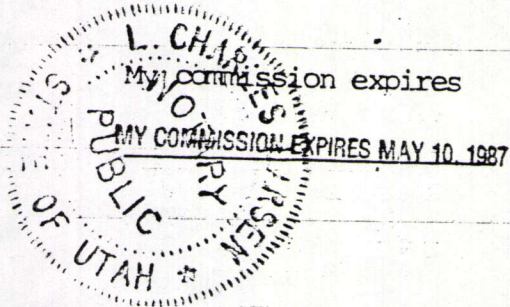
County of Salt Lake)

State of Utah) : ss.

This 6th day of DECEMBER, 1983, appeared before me

ARNOLD A. ISFORD

and after having been duly sworn said that he is authorized agent for Crater Exploration, Inc., a Nevada Corporation, the General Partner of Nancy Placer Mine, Ltd., a Texas Limited Partnership, and willingly executed the foregoing instrument for said Corporation.



L. Charles Larsen
Notary Public

CONVEYANCE OF ROYALTY

For Ten Dollars (\$10.00) and other good and valuable consideration, Crater Exploration, Inc. (hereinafter know as Grantor) hereby grants, conveys and assigns to The Limited Partners of Nancy Placer Mine Ltd., pro rata, (hereinafter referred to as Grantee) a gross royalty of three percent (3%) as hereinafter defined on production from the following described real property in Grand County, Utah:

Lot 5 of Sec 7, T 23 S, R 24 E, S.L.B. & M, Grand County, Utah, Less: any portion thereof lying within the bounds of the property described as beg at a pt 675' West of the SE cor of Sec 7, thence North 840.7'; thence S 49 40'W. 1302' to a cor located in the bed of the Colorado River; thence East-992' to the pt of beginning; containing 33 acres +.

There is granted to Grantee, and Grantor shall pay to Grantee as related to the described premises, a three percent (3%) royalty on all refined SUBSTANCES including those obtained from tailings or other ore residues. There shall be no deduction for any costs associated with the mining and milling of SUBSTANCES in computing royalty. At Grantee's option, the royalty shall be paid in kind.

Payments of royalty shall be made by Grantor to Grantee as herein required, on or before the 20th day of the month next succeeding the month during which the SUBSTANCES shall have been shipped, sold, used or refining is completed. In connection with the payment of royalty, the Grantor shall submit a certified statement of the production of all SUBSTANCES mined or extracted from the premises, together with such information as is reasonably required to verify production and disposition of SUBSTANCES produced and disposed of from the premises. Grantee may inspect, review, and test the correctness of the Grantor's report at any time and in such reasonable manner as it may see fit. Any errors in such reports, when ascertained, shall be recognized and the reports and royaltat payments shall be corrected accordingly.

EXECUTED this 6th day of DECEMBER, 1983.

CRATER EXPLORATION, INC.
A Nevada Corporation

By *AA Isford*
Arnold A. Isford, President

Attest:

Victor N. Hughes
Secretary

STATE OF UTAH)
SS.
COUNTY OF SALT LAKE)

The undersigned Notary Public in and for said State and County does hereby certify that on the 6th day of DECEMBER, 1983, personally appeared before me ARNOLD A. ISFORD and VICTOR N. HUGHES, known to me to be the identical persons who signed the name of the maker thereof, CRATER EXPLORATION, INC., to the within and foregoing instrument as its President and Secretary who, being by me first duly sworn, declared and acknowledged on oath that they signed on behalf of said Corporation and that the statements therein contained are true.

IN WITNESS WHEREOF, I have placed my hand and affixed my notarial seal the day and year first above written.

L. Charles Larson
Notary Public
Residing in Orem

Commission Expires:

